

Florida Department of Financial Services
Planning, Accounting, and Ledger Management Project

Independent Verification & Validation
November 2023 Mid-Month Progress Report

Reporting Period November 1 - 15, 2023

November 20, 2023

Contract: 80101507-21-STC

Engagement: C213E8



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Executive Summary

The Florida PALM IV&V Mid-Month Progress Report will act as a progress report and is not intended to be an in-depth assessment. This report will capture trends and keep the Florida PALM Project Team and Stakeholders apprised of any developing Findings and IV&V progress between IV&V Monthly Assessment Report submissions.

For the Mid-Month Progress Report period of 11/1/2023 through 11/15/2023, the following lists the key items the Florida PALM IV&V Team has reviewed:

- The Florida PALM Project Schedule is seeing a decrease in the number of delayed tasks for a total of 157 delayed tasks. 124 of the 157 delayed tasks are related to D640 - Development of the Master Data Configuration Workbooks.
- The Florida PALM IV&V Team interviewed 5 Agencies throughout October and November to better understand Agency readiness. Several trends were identified, including the need for access to funding for Florida PALM readiness and the depth of planning Agencies are undertaking.

Focus Area Summary

The table below summarizes the Florida PALM IV&V Team’s updates for the various Focus Areas for the reporting period 11/1/2023 to 11/15/2023. These preliminary updates may continue to evolve as information becomes available for the next Florida PALM IV&V Monthly Assessment Report. This section intends to be a summary only; a more detailed capture regarding these Focus Areas is provided in this document’s Focus Area Update Details section further below. Some Focus Areas may be marked as Not Applicable (NA) as they have not started or there is no significant activity during this reporting period.

Table 1: Focus Area Summary

Focus Area	Last Month’s Indicator	Mid-Month Risk Trend	Rationale
Overall Project Indicator	Low	Increasing	The Florida PALM Project’s overall risk trend is increasing in this reporting period but remains low. While project management risk is decreasing, Organizational Change Management represents an increasing area of concern in the Florida PALM Project that will require additional insight. This, coupled with the medium risk in requirements and design, means that the overall project risk is increasing.
Project Management	Low	Decreasing	The Florida PALM Project Schedule demonstrates a continued decrease in the total number of delayed tasks and activities. The Florida PALM IV&V Team rates the Mid-Month Risk Trend as decreasing toward a Low Green due to the decrease in probability and magnitude of impact on the overall Project Schedule.

Focus Area	Last Month's Indicator	Mid-Month Risk Trend	Rationale
Organizational Change Management	Low	Increasing	The Florida PALM IV&V Team interviewed Agencies in October and November to discuss funding and planning for Florida PALM readiness efforts. Several trends were identified, including the need for funding to support implementation activities and the significant effort required for planning. Additionally, the Florida PALM IV&V Team notes Agency delays in completion of Readiness Workplan tasks and will investigate further.
Requirements and Design	Medium	Unchanged	The Florida PALM Project Team completed approval of the Segment II Functional Designs (FDs) ahead of schedule on 10/30/23. The Project also approved the Ready to Start Build Stage Gate on 11/8/23. Currently, the project is conducting planning and Pre-FD discussions for Segment III. The Project will also be conducting Financial Wave Business Process Models (BPM) in December with the various Agencies. Although Segment II was completed ahead of schedule, the scope of Segments III and IV is larger than Segment II. Additionally, much of the Payroll FDs are in Segment III. The Payroll FDs are complex interfaces, and design could be hampered since the People First Vendor is not able to participate in the design discussions until their change order is approved by the Department of Management Services.
Development	NA	NA	The Florida PALM IV&V Team will begin reporting progress once development efforts start.
Testing	NA	NA	The Florida PALM IV&V Team will begin reporting progress once testing efforts start.
Conversion	NA	NA	The Florida PALM IV&V Team will begin reporting progress once conversion efforts start.
Implementation Readiness	NA	NA	The Florida PALM IV&V Team will begin reporting progress once implementation readiness efforts start.
Production Support	Low	Unchanged	No risks for production support were reported, and there were no system outages. The Florida PALM IV&V Team continues to track INC38993588, which involves an unreconciled interbank transfer of \$250 million from January 2022. As of 11/15, the solution has been provided but not implemented.

Potential New Findings

IV&V Finding Number: 13 Probability: Likely Impact: Significant	Priority: High Type: Preliminary Concern	Category: Design Date Opened: 11/20/23 Trend: New
<p>Finding: People First’s Vendor has limited ability to participate in Functional and Technical Design Sessions. This could result in an incomplete design or even potentially delay the development and implementation of the payroll functionality in the Florida PALM Project.</p>		
<p>Supporting Analysis: The Florida PALM IV&V Team observed the Project Risk Log has an entry (Risk # 5: Enterprise Partner’s Vendor Unavailable for Design Discussions) and that the risk trend is increasing. The risk level is increasing because People First’s Vendor is limited in their ability to participate in the design discussions due to delays in the finalization of their Change Order that is under negotiation with the Department of Management Services. The People First Vendor has been working on the People First solution since it was implemented and, as such, is critical to designing the People First to Florida PALM interfaces. They are also the only Vendor that could support the development of the interface functionality on the People First solution.</p> <p>People First’s Vendor not being available to finalize the functional and technical designs is a risk to Florida PALM solution design since People First is a critical component of the several integrations planned for Florida PALM. People First integrates with Florida PALM to send/receive payroll, personal, and job data in addition to the earnings and deductions data. All this information collectively is required for processing on-cycle payroll and on-time payments to the Florida state workforce. Finalizing the functional and technical design requires the Vendor Team’s presence in the design discussions, and delaying such discussions may impact the project schedule.</p> <p>In addition to potential delays in completing interface designs, if the People First Vendor continues to be unavailable, then this could result in delays to the development and testing of the People First/Florida PALM interfaces, which in turn could delay the implementation of the Payroll Wave entirely. Delays in implementing the Payroll functionality could result in multi-million dollars in additional cost to the Florida PALM Project.</p>		
<p>Suggested Mitigation: The Florida PALM IV&V Team recommends that People First and the Department of Management Services (DMS) leadership evaluate the cost-benefit of potential delays to the Payroll Wave implementation, which could be significant costs per month against any near-term contractual concerns with the People First Vendor Change Order. DMS should determine whether there is an opportunity to accelerate the review and approval of the Change Order for the People First Vendor and re-engage the vendor to avoid any impact on the Florida PALM Project Schedule, thereby avoiding any delays to on-time solution delivery.</p>		
<p>Status Updates:</p>		

Open Findings

Finding Number and Statement: Finding 12 – Inconsistency in Requirements Traceability.

Impact Update: Medium (Unchanged)

Probability Update: Medium (Unchanged)

Priority Update: Medium (Unchanged)

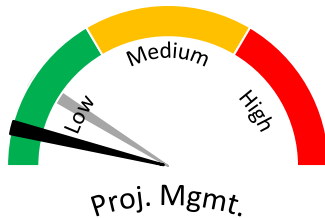
Status Update: The Florida PALM IV&V Team will be reviewing D637 – Completion of Solution Design (Requirements) Segment II and validating traceability and consistency between this deliverable, the Segment II Functional Designs (FDs), the Requirements Traceability Matrix (RTM), and the Reports, Interfaces, Conversions, Extensions, Forms, and Workflows (RICEFW) Inventory. This is to determine if process improvements and cross-check implemented by the Florida PALM Project Team were effective. If no inconsistencies are identified, then this finding can be closed.

Potential Findings Closing

No findings were closed in this reporting period.

Focus Area Update Details

Project Management

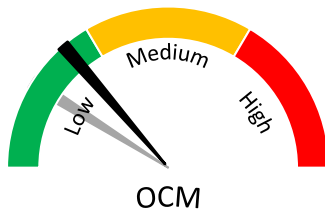


Schedule

The Florida PALM IV&V Team continues to assess the Florida PALM Project Schedule and is monitoring the late tasks. The overall SPI for the Project Schedule continues to stabilize but has seen a slight decline to 0.9 as of mid-November. The Florida PALM IV&V Team also analyzed the details of the Month End Project Schedule, and the total number of delayed tasks has decreased to 157 total. 124 of the 157 delayed tasks belong to D640 – Development of the Master Data Configuration Workbooks. This demonstrates an improvement, specifically to the Requirements and Design tasks in the Project Schedule. The Project Schedule

demonstrates an ahead-of-schedule timeframe for the Segment II Functional Design. These improvements move the overall risk rating from mid-Green to low-Green.

Organizational Change Management



Agency Readiness Interviews

Understanding Agency perspectives around readiness is critical to the success of the Florida PALM Project because of the role that Agencies will play in implementation. If Agencies are not properly prepared, the risk of delays or failures can increase. To this end, the Florida PALM IV&V Team interviewed five Agencies in October and November to discuss their approaches to funding and planning their readiness efforts. The results of these interviews were compiled and analyzed to understand the common areas of success or challenges experienced to date.

One trend was that all Agencies interviewed requested additional funding for their Florida PALM readiness efforts. Requests drew from the \$10 Million made available in Specific Appropriation 2107 from the Fiscal Year 2023-2024 Appropriations Bill, as well as from the prior year and administrative funds. The timeliness of the funding is an important aspect of its utility to the Agencies. Requests for funding had been outstanding for months, in most cases, with limited communication from the Office of Policy and Budget or the Legislature on the status of Agency funding requests. Requests were made with immediate needs in mind for planning Florida PALM-related work and the time it took for the confirmation of the amounts of money to occur meant the timeframe for Agencies to plan and complete readiness activities has shortened.

Lack of transparency in budget request status makes it more difficult for Agencies to estimate availability of their resources, and uncertainty of resources can disrupt Agency planning. Access to funding is needed for Agencies to retain existing resources and hire new resources necessary to prepare for the testing, integration, and implementation of Florida PALM with Agency business systems. This involves both new State resources as well as employing contractors with different technical and operational expertise for complex systems. While funds had begun to be released in this reporting period, 11/01/23 – 11/15/23, these delays may nevertheless have an impact on Agency readiness timelines.

A second trend that the Florida PALM IV&V Team noted was that developing a thorough understanding of Agency business systems and technical inventories in an Agency requires a

significant investment of time and people. These factors are critical to proper planning for Florida PALM activities and integration. Without them, there is an increased risk that additional remedial work may be required to replace or modify business systems and processes that were missed during the initial period of Florida PALM Project work. The Cash Management System (CMS) release was plagued by remedial work due to missed requirements, unplanned integrations, and other issues arising from and influenced by an improper understanding and inventory of the Agency business system. Availability of funding, an appreciation of the significance of planning work and inventories, and effective communication between the Florida PALM Project Team and the Agencies are all critical to the success of these efforts.

A third trend noted was that Agencies need additional information on aspects of the build and design of Florida PALM to properly plan for activities they will undertake in transition. Because of the complexity of interaction between Agency systems, FLAIR, and the planned integration with Florida PALM, Agencies must make many assumptions in their planning about how these interactions will work. Providing this information as early and effectively as possible will allow Agencies to better estimate the effort required and the number of resources necessary to conduct them. The Florida PALM IV&V understands that the Florida PALM Project Team will make this information available as it becomes finalized in the Design Segments.

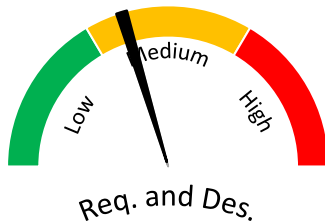
Agencies noted that they felt well-equipped to plan and make decisions around funding for their Florida PALM efforts without specific support from the Florida PALM Project, although some Agencies did collaborate with each other in the budget request process. Agencies did state that some information they request from the Florida PALM Project Team in Readiness Touchpoints and emails are not coming back in a timely manner. Many of these questions deal with technical and business process aspects of Florida PALM. This information was incidental to the purpose of the Agency interviews and has not yet been verified. The Florida PALM IV&V Team will investigate this topic to ascertain its validity and impact, if any.

Completion of Readiness Workplan Tasks

In various Florida PALM Project forums, the Agency's completion of Readiness Workplan tasks and reporting on task progress is being discussed. The Readiness Workplan lists the work that Agencies must complete to not only prepare themselves for implementation and integration activities, but also to provide the Florida PALM Project with vital information on Agency systems, processes, and technologies that will allow for design decisions to be made more effectively. Progress on these tasks is tracked in Smartsheet by Agency self-reporting and by the Florida PALM Project Team. However, the information is not always accurate.

The Florida PALM Project Team has noted that not all tasks that Agencies are marking as finished are comprehensively completed. Tasks will have sections blank or missing that are a key part of understanding the material in the task. Sometimes, tasks will not be completed at all. Another common issue is that Agencies are oftentimes delayed in submitting tasks. Agency resources working on Florida PALM activities often must also contend with their normal role at the Agency, meaning PALM work may not be completed for some time. This is more apparent during the year-end close period as it occupies many accounting staff. The Florida PALM IV&V Team will analyze Agency engagement with Readiness Workplan tasks in more detail and provide information in a subsequent report.

Requirements and Design



The Florida PALM IV&V Team issued a Stage Gate Assessment Report on 11/1/2023. The report recommended moving forward with the Ready to Start Build Stage Gate. As part of the review, the Florida PALM IV&V Team both reviewed whether the Stage Gate criteria were met and the quality of the Functional Designs (FDs). The criteria required that only 50% of the Segment II FDs be approved, but the Florida PALM Project had approved all the Segment II FDs by 10/30/23. The Florida PALM IV&V Team also found that the quality of the FDs was high and that they appeared complete and comprehensive.

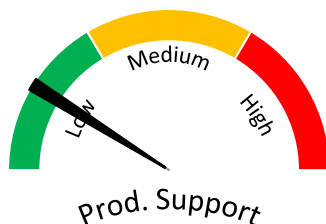
The Florida PALM Project Team will be reviewing the Financial Wave Business Process Models (BPMs) with the Agencies from 12/5/23 to 12/7/23. This will provide another opportunity for Agencies to understand and gain clarity on business process changes. The Florida PALM Project Team will also be conducting Segment II design sessions in January to review the detailed FDs. Finally, based on feedback and discussions from the Segment I design workshops, we may be updating the FDs to allow Agencies to determine whether to control or track budgets at the allotment level. This is further evidence that the design workshops provide a forum for Agencies to identify concerns related to the design and that the Florida PALM Project Team is willing to act on those concerns.

Although the Florida PALM Project Team has been successful in completing Segment I and Segment II FDs by the defined end date, the scope of Segments III and IV are larger than either Segment I or II. As of 11/15/23, there are 100 FDs identified for Segment III and 131 for Segment IV. Respectively, there were 52 for Segment I and 73 for Segment II. Additionally, many of the complex interfaces associated with Payroll and People First are part of Segment III. These interfaces are complex and may be hindered since the People First Vendor is not able to attend the design discussions until a change order is approved.

Testing

The Florida PALM IV&V Team will begin reporting progress on testing once the testing efforts start.

Production Support



The production system ran within accepted standards in the first weeks of November. There have been no reported outages in the production environment for this month. The production environment shows no changes during this reporting period, however, the team is working toward a system upgrade in the next quarter.

The Florida PALM IV&V Team continues to track INC38993588 in ServiceNow, which was created on 10/19/23. The incident involves an outgoing \$251 Million interbank transfer in January 2022 from a Wells Fargo account. There was no offsetting debit transaction recorded which led to there being an unreconciled amount. A potential solution has been identified and sent for implementation, but as of 11/15/23, there has been no update on whether the solution was successful in resolving the incident.

Key Metrics or Analysis

This section provides metrics used by the Florida PALM IV&V Team to assess processes and activities.

Planned versus Actual Segment II Approvals

The diagram in Figure 1 shows the planned and actual count of Functional Designs (FDs) that have been approved as of 11/15/2023. It shows that all the Segment II FDs were approved by 10/30/23 and that the Florida PALM Project Team met the Ready to Build Stage Gate Target on 10/19/23. There was a tremendous amount of effort by the Team Managers, Architects, and Project Director to review and approve documents during the last two weeks of October with over 30 FDs approved with the last two weeks of the month.

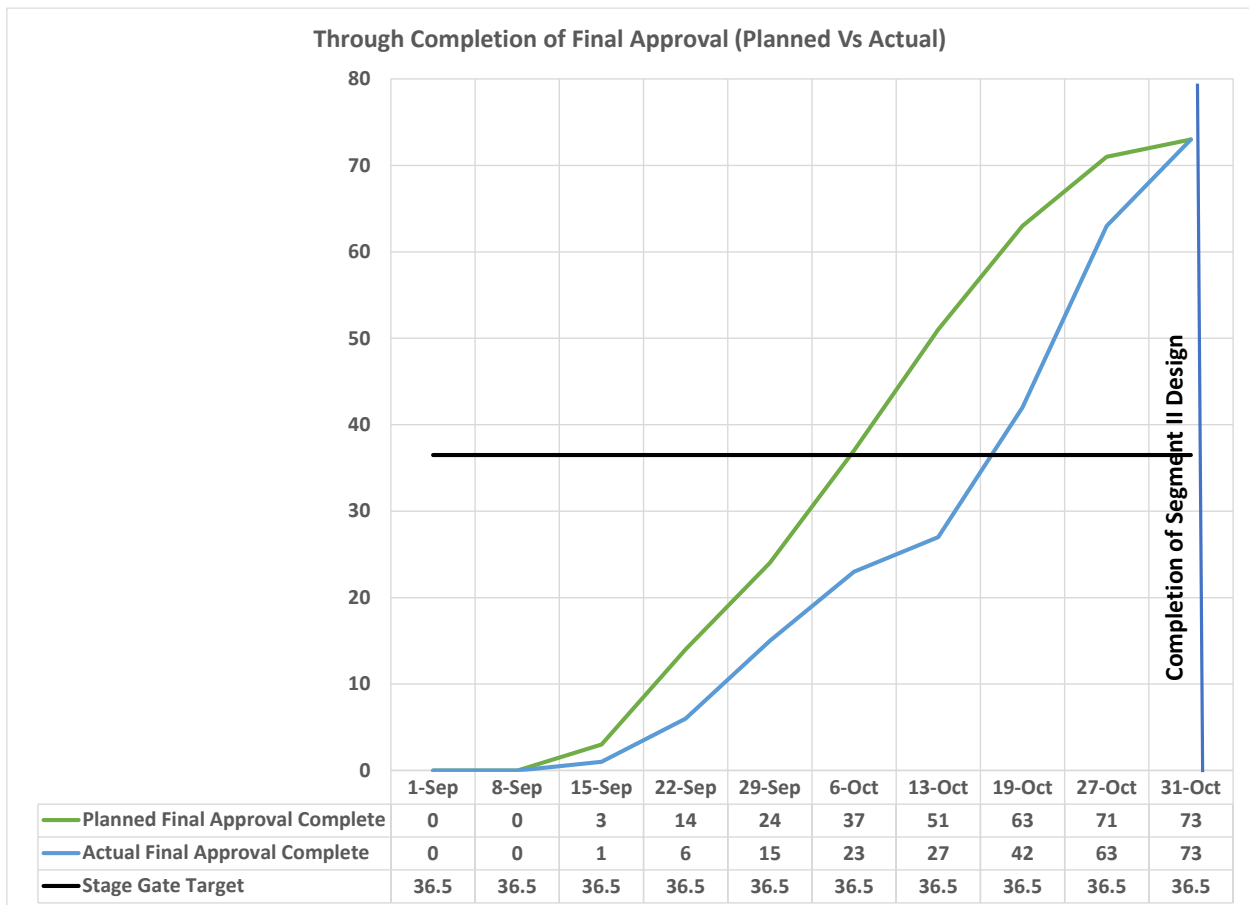


Figure 1: Planned versus Actual Segment II Approvals

Changes to Counts of Functional Designs Per Segment

The diagram in Figure 2 shows the expected counts for each of the design segments and how they have changed over time. and actual count of Functional Designs (FDs) that have been approved as of 11/15/2023. The count of FDs that are part of Segment III and IV is substantially higher than for Segment II. Additionally, the projected count of FDs for Segment III and especially Segment IV has been increasing over time as some have shifted from earlier segments and new FDs have been identified. 14 of the FDs in Segments III or IV will require Project Change Request (PCR) approval by either the Project Director or the Executive Steering Committee (ESC) since they are extensions and 6 are identified as in review.

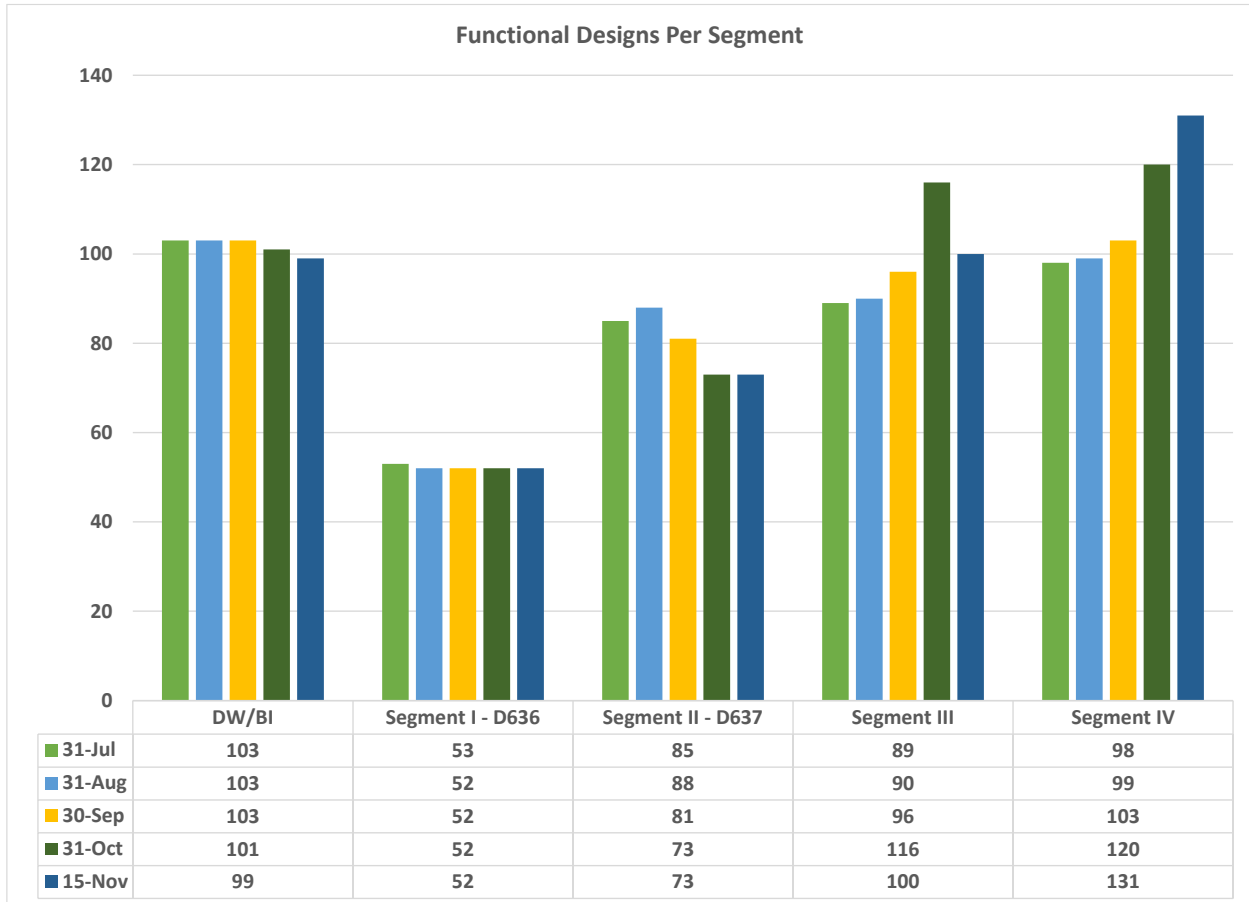


Figure 2: Changes to Counts of Functional Designs Per Segment

IV&V Upcoming Schedule Activities

Project Management

- Assess the Florida PALM Project Schedule SPI and schedule variances, including potential impacts of late tasks to the Critical Path.

Organizational Change Management

- The Florida PALM IV&V Team will be comparing the first two Bimonthly Agency Readiness Status Reports to examine trends and changes in Agency reporting across the two periods.
- The Florida PALM IV&V Team will review changes to the Florida PALM Updated Readiness Plan once the Florida PALM Project Team begins review work.

Requirements and Design

- Participate in BPM Review Workshop meetings.
- Review D637- Completion of Solution Design (Requirements) Segment II
- Review D640 - Development of the Master Data Configuration Workbooks
- Continue review and analysis of Design Work Unit Tracker, RICEFW Inventory, and RTM.
- Participate in Functional Design sessions; and
- Review Functional Design Specifications.

Testing

- The Florida PALM IV&V Testing Team will continue to attend the ongoing Design Sessions for the Florida PALM Project.

IV&V Information Requests

The table below includes the status of the outstanding Florida PALM IV&V Team information requests from the Florida PALM Project Team.

Table 2: IV&V Information Requests

Information Request	Responsible Party	Date of Request	Status

Appendix A – Documents Reviewed

The table below shows documents the Florida PALM IV&V Team reviewed during the period.

Table3: IV&V Documents Reviewed

Document Name	Date	Version
RICEFW Inventory	11/5/23	Working
RTM	11/5/23	Working
Design Work Unit Tracker	11/5/23	Working
RICEFW Inventory	11/10/23	Working
RTM	11/10/23	Working
Design Work Unit Tracker	11/10/23	Working
RICEFW Inventory	11/15/23	Working
RTM	11/15/23	Working
Design Work Unit Tracker	11/15/23	Working

Appendix B – IV&V Documents Delivered

The table below shows documents the Florida PALM IV&V Team delivered during the period.

Table 4: IV&V Documents Delivered

Document Name	Date	Version	Delivered Date	Follow Up Required
Florida PALM IV&V Stage Gate Assessment Report Ready to Start Build	11/1/23	1.0	11/1/23	None
Florida PALM IVV Monthly Assessment Report October 2023	11/13/23	1.0	11/13/23	None

Appendix C – Risk Priority Matrix

The Florida PALM IV&V Analysts will use the following table to assign a Risk probability rating to each identified Risk.

Table 5: Risk Probability Rating

Risk Probability Rating	Probability of Occurrence	Probability Description
1	Improbable	Risk has between a 1%-19% likelihood of occurring.
2	Unlikely	Risk has between a 20%-39% likelihood of occurring.
3	Possible	Risk has between a 40%-59% likelihood of occurring.
4	Likely	Risk has between a 60%-79% likelihood of occurring.
5	Probable	Risk has between an 80%-99% likelihood of occurring.

The Risk Impact Criteria the Florida PALM IV&V Analysts will use to assign a Risk impact rating to each identified Risk are described in the table below.

Table 6: Risk Impact Rating

Risk Impact Rating	Magnitude of Impact	Impact Description
1	Negligible	Risk will have an impact so small that it can be ignored when studying the larger effect.
2	Minor	Risk will have a small impact on the Project that should not be ignored when studying the larger effect.
3	Moderate	Risk will have a noticeable impact on the Project.
4	Significant	Risk will have a large impact on the Project
5	Critical	Risk will have a large impact and may jeopardize the success of the Project.

The table below outlines the Risk Priority Ratings for a Finding based on a combination of impact and probability of occurrence.

Table 7: Risk Probability vs Impact

Probability of Occurrence	Magnitude of Impact				
	Negligible 1	Minor 2	Moderate 3	Significant 4	Critical 5
Probable 5	Low	Medium	High		
Likely 4			Medium	High	
Possible 3		Medium		High	
Unlikely 2				High	
Improbable 1		Medium		High	

The table below defines the levels of the Risk Priority Ratings.

Table 8: Risk Rating Definition

Rating	Definition
High	The possibility of substantial impact to product quality manageability cost or schedule. Major disruption is likely, and the consequences would be unacceptable. A different approach is required. Mitigation strategies should be evaluated and acted upon immediately.
Medium	The possibility of moderate impact to product quality manageability cost or schedule. Some disruption is likely, and a different approach may be required. Mitigation strategies should be evaluated and implemented as soon as feasible.
Low	The possibility of a slight impact to product quality manageability cost or schedule. Minimal disruption is likely, and some oversight is needed to ensure that it remains low. Mitigation strategies should be evaluated and considered for implementation when possible.